



# ITALY

## 1. General

a. The authority for Local National (LN) employment is outlined in Article 9, paragraph 4 of the Status of Forces Agreement (SOFA). The Memorandum of Understanding between representatives of U.S. Forces and Italian Labor Unions of 12 May 1981 sets the basic framework for union relations. Wages are not negotiated, but conditions of employment are.

b. LN employment is governed by the Italian constitution and Italian labor legislation.

c. Specific employment conditions are addressed in the labor agreement titled "The Conditions of Employment for Local National Employees of the U.S. Forces in Italy (COE)" dated 1 January 2006. The terms of this labor agreement are based on prevailing practice in Italy and on labor laws. The terms of the accord were/are negotiated between the two labor unions representing LN employees of U.S. Forces in Italy and the Joint Civilian Personnel Committee (JCPC).

d. Regulations and/or other command publications establish the policy, administrative and program instructions, and procedures pertaining to implementation of wage survey determinations and law, responsibilities, and functions in LN personnel management and administration.

e. Wages are determined by the annual survey of about 65 companies Italy-wide in the industrial and commercial sectors of the Italian economy. Surveys of key jobs in the economy reflecting those positions common to U.S. Forces to include wages, benefits, time off, and allowances are conducted for "Operai" (blue collar), "Impiegati" (white collar) and "Quadri" (cadre or management positions) employees. The "Dirigenti" category, employees who advise and assist in setting policy Italy-wide, is not subject to the annual survey. The wages are set by the JCPC based on national contract and trends in this category.

f. Payroll functions are the domain of the individual Services and Exchanges.

g. The right to strike in Italy is guaranteed by the Constitution.

## 2. Employment Conditions

### a. Regular Work Hours

The regular workweek is 40 hours for most employees. Firefighters may be regularly scheduled for up to an average of three 24-hours shifts per week, each consisting of 16 hours of work and 8 hours of scheduled rest.

### b. Trial Period

The length of the trial period, which varies depending on the grade level of the employee, is from 30 to 100 days of actual performance.

### **c. Separation Notice Periods**

(1) The advance notice period for separation varies from 30 to 120 days. During the notice period, the employee is entitled to and required to work. Annual leave may not be taken during the notice period. When not permitted to serve in full or part through the notice period, the employee is entitled to a lump sum payment in lieu of notice.

(2) Employees are required to give between eight and thirty days advance notice prior to resignation. An amount equal to payments an employee would have received had he/she worked all or the remaining portion of the notice period may be withheld when employees fail to give notice.

### **3. Pay Entitlements**

#### **a. Regular Earnings**

Employees are paid salaries and wages on or before the last working day of each month.

#### **b. Bonuses, Pay Supplements and Allowances**

##### **(1) Christmas Bonus**

One full month's pay is paid between 1 and 15 December of each year.

##### **(2) Summer Bonus**

One full month's pay is paid between 1 and 15 June of each year.

##### **(3) Cost of Living Allowance**

"Contingenza" is a Cost of Living Allowance, an amount frozen at the May 1992 level. The Italian Government agreement to pay a bi-annual increase based on Italian government statistical index of inflation was rescinded. In addition, the government, industrial organizations, and Unions have agreed on a € 10.33 per month flat rate payment for "element distinct from retribution" (EDR).

##### **(4) Third Element**

This is the difference between the total of base pay, Contingenza, EDR and the survey findings at each pay level.

##### **(5) Overtime Pay**

This is equal to the normal rate of pay for the hours worked plus a differential of 30% for weekdays. If Sunday is a regularly scheduled workday, a differential of 35% is paid over and above the normal rate of pay for the hours worked. If an employee is required to work on a weekly day of rest (Sunday or designated day in lieu of Sunday),

or on holidays, (s)he is paid the normal rate of pay for the hours worked plus a differential of 60%.

**(5) Call Back Overtime**

Work performed on a non-workday or on a regular workday after completion of the daily tour of duty is always considered to be at least three hours in duration and must be compensated accordingly.

**(6) Night Work**

Is performed between the hours of 2000 and 0600 hours and is compensated as follows:

- 15% differential for scheduled night work performed within the regularly scheduled weekly tour of duty.
- 30% differential for occasional night work performed outside the regularly scheduled weekly tour of duty.

**(7) Sunday/Holiday Work**

Compensation for Sunday and holiday work or for a weekly day of rest in lieu of a holiday is as follows: 10% differential for the hours actually worked on a Sunday which is a regularly scheduled workday; normal pay for the hours worked plus 50% differential for work on a Sunday which is a non-workday or on the weekly day of rest in lieu of a Sunday; Normal pay plus 50% differential for non-overtime holiday work.

**(8) On Call duty**

Employees who are called to work between 2200 and 0600 hours may elect to have the following workday reduced by the same number of hours worked on call. In this case compensation will be limited to applicable pay supplements and differentials. The weekly amount of on-call allowance for nine shifts of 12 hours each is adjusted annually at the time the wage survey results are implemented, based on the following formula:

$8\% \times (\text{monthly base pay} + \text{contingenza, U-5 level})$

The allowance for a single 12-hour shift is calculated by dividing the weekly allowance by nine.

An employee so designated is "on call" seven days per week. The daily on-call shift starts after the normal workday ends and continues for 12 hours thereafter. On non-workdays, the 24 hours of the day are divided into two 12-hour shifts, therefore the employee is available to be called back to duty for nine shifts per week. For this availability to return to work on non-duty hours, the employee is paid as per above. In a situation where the employee is available for less than continuous seven day

on-call duty, the total weekly amount is divided by 9 to determine the pay for each available shift.

- (9) Lunch Allowance** € 65.83 is paid at installations where subsidized meal arrangements are not in effect. This allowance is reviewed during the annual wage survey and an average determined based on the values provided by local companies.
- (10) Off-post Meal Allowance** Paid to those employees on vicinity travel between 1100 and 1400 hours and 1800 and 2100 hours who are at a place other than an installation of the U.S. Forces at which eating facilities are provided for Italian civilian personnel. The employee will be reimbursed up to a ceiling of € 15,00 per meal upon presentation of a controlled receipt for the actual costs of the meal.
- (11) Meal Subsidy** Where subsidized dining facilities are available, full time employees are entitled to one meal per workday toward which the employer provides a subsidy of € 5.46. The annual wage survey reviews allowances paid by local economy companies to determine the average value. Part time employees working less than 6 hrs/day receive a proportionate monthly Lunch Allowance. Those working 6 or more hours are entitled to the meal subsidy.
- (12) User-driver Allowance** An amount of € 1.37 per day for actual driving is paid to employees required to drive official or leased vehicles on or off the installation. This allowance is not paid to employees who are professional drivers or those for whom driving is the grade controlling duty of the job.
- (13) U.S. Forces Differential** Is paid monthly to all employees hired prior to 1 January 2006. The amount varies by grade level and ranges from € 25.56 per month to € 83.68 per month.
- (14) Environmental Pay** Is divided into two levels of severity and paid at the rate of € 0.09 per hour for exposure to Level 1 severity and € 0.16 per hour for exposure to Level 2 severity.
- (15) Relocation Costs** Are paid to employees permanently reassigned to another installation in a different commuting area (Article 16, of the COE).
- (16) "Exit" Allowance** Employees are entitled to an "exit allowance" in the amount of two months of regular pay of not less than Euro 1.860,00 when separated by reduction-in-force. This is in addition to all entitlements due in connection with any

termination. Part-time employees receive a pro-rated share of the exit allowance.

**4. Benefits and Allowances:**

**a. Retirement premium Insurance**

Contributions of 23.46% are paid by the employer and 9.19% are paid by the employee for a total of 32.65%.

**b. Health Insurance**

National Institute of Health.

The employer pays 39% and the employee 9.69% to the

**c. Unemployment Insurance**

An amount of 1.61% is paid by the employer.

**5. Leave Entitlements:**

**a. Annual leave**

Is granted as follows:

	<u>Employees</u>	
	<u>Operai</u> *	<u>Impiegati</u> *
Each of the first ten years	22 days	22 days
From the 11 <sup>th</sup> to 15 <sup>th</sup> year	24 days	24 days
From the 16 <sup>th</sup> and over	28 days	28 days

\* *Operai* - blue collar, trades and craft employees

\* *Impiegati*- administrative, technical professional and clerical employees.

**b. Absence And Leave**

Employees will be granted 15 consecutive calendar days with pay in conjunction with their marriage, not chargeable to annual leave. 3 days paid admin leave is granted in case of death or serious illness of a close relative. 24 hours paid leave is provided following blood donations and voting leave with pay is provided when appointed to perform official electoral duties.

**c. Days of Rest and "Permessi"**

There are nine rest days in effect for the calendar year. Four of these are decided by management and four by the local unions on an installation-by-installation basis. The ninth rest day is selected alternately by the employer and the unions on an annual basis. "Permessi" are granted in hours and the total annual entitlement is currently 47 hours.

**d. Sick Leave and Benefits**

Sick leave is an entitlement, not an accrual. Sick leave periods are between 12 and 18 months in cases of hospitalization for tuberculosis and 36 month for

incapacitation due to occupational disease or on-the-job accident. These entitlements are inclusive of the indemnities paid by the appropriate Italian agency. For blue collar employees, sick pay is reimbursed by the National Health Service.

**e. Maternity Leave**

Employees must take a five-month period of compulsory maternity leave. The pregnant woman chooses the beginning and ending date of maternity leave (e.g., one month before and four months after delivery). During this period, the Italian Social Agency provides 80% of regular pay; the employer pays the remaining 20%.

**b. "Optional Maternity Leave"**

Employee's may request and must be granted an additional six months "optional" maternity leave. This leave may be taken within the first year of the child's life, not necessarily directly after the five-month compulsory period, and may be taken in segments. The father of the child may take the "optional" maternity leave instead of the mother, however only one parent is authorized the time off. The employee on "optional" maternity leave, receives 30% of her/his regular pay, paid by the Italian Social Agency.

**6. Legal Holidays**

There are 12 legal holidays Italy-wide. In addition, the local patron Saint's Day varies by location. Employees are entitled to one day's extra pay for each holiday falling on a Sunday.

**7. Pay Protection**

By Italian law and practice and by provisions of the Conditions of Employment (Labor Contract) changes to lower grade and pay are prohibited. Movements to lower grade positions may be effected by management action or at the request of the employee if acceptable to management, however, indefinite grade and pay protection are obligatory.

**8. End-of-Employment Pay (EEP)**

a. All employees separated from employment from U.S. Forces positions for any reason are entitled to receive EEP according to Italian Law, practice, social contract and the Conditions of Employment.

b. The EEP is computed by dividing the creditable annual salary by 13.5. The creditable annual salary is the aggregate compensation earned by the employee during the calendar year, which includes all forms of compensation other than those, which are occasional in nature. Cumulative accruals are recomputed at the end of each year or at the time of separation in order to offset devaluation due to inflation. The general formula is annual salary divided by 13.5 multiplied by number of years of service = EEP.

c. Advance payment of not more than 70% of EEP may be made to requesting employee for the purchase of a first house or medical bills for serious illnesses upon meeting conditions stipulated by law. The advance payment is subtracted from the eventual terminal payment. The average EEP advance payment during fiscal year 2011 was Euro 12.096.

d. There is no ceiling on the cumulative amount of EEP. Equally, any category of employee, white collar, blue collar, quadri or dirigenti, full or part time, permanent or temporary, is entitled to EEP.

e. The average EEP paid to separating employees during Fiscal Year 2011 was € 14.123. Since the EEP is paid at the end of any given month in the year, the exchange rate fluctuates/changes with each period.

## **9. Complementary Retirement Plan (CRP)**

a. In accordance with Italian legislative decree 124/93, a CRP has been established in agreement with the labor unions representing local national employees of the U.S. Forces in Italy. Employees may voluntarily join the Open Pension Fund and authorize contributions of 1% or more from their monthly salary. The selected provider is UNIPOL, registered in the National Pension Fund of Italy. The U.S. forces will match the contribution by 1.5% of the monthly salary. For those employed prior to 29 April 1993, a 2% or more contribution of their monthly amount set aside by the employer toward the End-of-employment pay may be paid to the Open Pension Fund as authorized by the employee. Those employed from 29 April 1993 onward are required to transfer the entire end-of-employment pay accruals to the fund. Contributions and withholdings are effective the first day of the month following the employee's notification to the payroll office to join the CRP. Employees may withdraw from the CRP by submitting written statement of intent. The employer will not make any contribution or withholdings for employees who do not participate in the CRP.